



Division Description

The Economic Development Division is organized into three work units: the Office of Small Business, Department of Housing and Urban Development (HUD) Administrative Programs, and Business Finance. The Office of Small Business, in partnership with the business community and economic development agencies, administers several programs for small business development and retention to create a more healthy economy for San Diego. The HUD Administrative Programs unit oversees federally-funded grant programs including the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Partnership, and Home Ownership for Persons with AIDS (HOPWA). The Business Finance unit administers two revolving loan fund programs funded by federal Economic Development Administration grants.

The Division's mission is:

To engage San Diegans to envision, plan, implement, and maintain a sustainable city through the wise use of land, resources, and aesthetics ensuring a high quality of life for all generations

Goals and Objectives

The following goals and objectives represent the action plan for the Division.

Goal 1: Foster economic development

Encouraging community revitalization and promoting economic opportunity for all segments of the population is a key component in ensuring a high quality of life. It is essential to retain, attract, and maintain the type of businesses that contribute positively to the local economy and communities. The Division will move toward accomplishing this goal by focusing on the following objectives.

- Leverage public incentives and assistance to promote community revitalization
- Promote economic development efforts to attract and induce investment in local businesses
- Support and encourage local businesses to provide private sector revitalization solutions

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Service Efforts and Accomplishments

The Office of Small Business (OSB) staff assisted more than 6,000 aspiring and existing entrepreneurs with information and referrals. OSB staff also provided project and contract management services to more than 40 non-profit organizations through 55 agreements for the promotion of tourism, development of economic opportunities, as well as for clean and safe programs which benefitted more than 12,000 businesses and 17,600 property owners in 20 neighborhoods. The Small Business Development and Outreach Pilot Program was implemented with participation from 55 businesses to assess and then create specific services to assist small businesses in developing competencies to increase participation in City contracts. Additionally, OSB staff provided project and contract management services to three community parking districts to develop local solutions to mitigate parking-related impacts. The OSB managed the Tourism Marketing District (TMD) which was established in January 2008 for a five year period. The TMD raises more than \$22.0 million annually to promote tourism and increase hotel room night consumption in the City of San Diego. Of this \$22.0 million, approximately \$10.0 million offsets tourism support expenses previously provided by the City's General Fund.

The Department of Housing and Urban Development (HUD) Programs Administration (HPA) section is administered by Economic Development Division staff. HPA staff is responsible for grant compliance and the overall administration of the City's CDBG entitlements. Each year, the City is obligated to follow a HUD-defined "consolidated planning" process to ensure community involvement, project eligibility, and a strategic approach to utilizing CDBG funds. Grantees are required to submit both a five-year strategic plan and annual action plans (which are subject to HUD approval) in order to be approved for funding. The HPA section provided over \$16.0 million for Fiscal Year 2011 projects that serve the low- to-moderate income communities of the City of San Diego.

In addition, the City is a grantee of the Emergency Shelter Grant (ESG) Entitlement. The objectives of the ESG Program are to increase the number and quality of emergency shelters and transitional facilities for homeless individuals and families, to operate these facilities, and to provide essential social services and help prevent homelessness. Since its inception, the ESG Program has helped to provide facilities and services to meet the needs of the homeless people. The City has utilized the ESG funds to support the City's Cortez Hill Family Center and the Homeless Emergency Winter Shelter Program. The ESG Program provided over \$660,000 for Fiscal Year 2011 projects that serve the low-to-moderate income communities of the City of San Diego. During Fiscal Year 2011, the City Council approved the transfer of the ESG program to the San Diego Housing Commission (SDHC) to administer on behalf of the City. The SDHC manages other housing programs that will compliment and provide additional services to the ESG program.

In September 2009, the City Council adopted major reforms to the CDBG allocation process which will provide greater efficiencies and measurable effectiveness of the Program. The HPA staff provided oversight on more than 200 projects and directly managed 110 contracts. During Fiscal Year 2010, a combination of 65 brick-and-mortar executed contracts and pending projects were transferred from Engineering & Capital Projects to the HPA unit to provide project management and oversight. Staff worked diligently with non-profit agencies to complete the contracts and move towards construction completion. There are currently nine projects in construction and twelve more projects to be completed by June 30, 2011.

The HPA unit also administers three stimulus grants awarded to the City under programs authorized by the Housing and Economic Recovery Act of 2008 and the American Recovery and Reinvestment Act of 2009. The City's grants for the Neighborhood Stabilization Program, Community Development Block Grant Recovery program, and the Homelessness Prevention and Rapid Re-Housing Program, collectively total \$19.7 million. The HPA unit has facilitated the timely implementation of these grants through the drafting and processing of sub-grantee agreements with the San Diego Housing Commission, providing program administration and project set-up assistance to various project managers, and completing program progress reports for the HUD on a quarterly basis.

The Business Finance section manages the HUD Section 108 Loan Program portfolio consisting of ten loans totaling approximately \$22.6 million. In addition, the Business Finance section manages two small business revolving loan fund programs totaling \$4.6 million funded by federal Economic Development Administration grants. In Fiscal Year

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2011, Business Finance provided assistance and referral information to 180 inquiries, conducted six Business Outreach Presentations, and closed four loans totaling \$480,000.

Key Performance Indicators

| Performance Measure | Actual FY2010 | Estimated FY2011 |
|--|------------------|---------------------|
| Percent of Community Development Block Grant reform and new Council policy completed | 60% | 100% |
| Number of small businesses assisted | 6,270 | 6,200 |



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Department Summary

| | FY2011 Budget | FY2012 Proposed | FY2011–2012 Change |
|--------------------------------------|---------------------|---------------------|-----------------------|
| Positions | 11.00 | 32.30 | 21.30 |
| Personnel Expenditures | \$ 1,345,857 | \$ 3,208,753 | \$ 1,862,896 |
| Non-Personnel Expenditures | 1,334,155 | 1,335,430 | 1,275 |
| Total Department Expenditures | \$ 2,680,012 | \$ 4,544,183 | \$ 1,864,171 |
| Total Department Revenue | \$ 877,375 | \$ 3,027,087 | \$ 2,149,712 |

Note: Economic Development is a new, stand-alone division for Fiscal Year 2012. The Fiscal Year 2011 column displays Economic Development's budget when it was a division within the City Planning & Community Investment Department.

General Fund

Department Expenditures

| | FY2011 Budget | FY2012 Proposed | FY2011–2012 Change |
|----------------------|---------------------|---------------------|-----------------------|
| Economic Development | \$ 2,680,012 | \$ 4,544,183 | \$ 1,864,171 |
| Total | \$ 2,680,012 | \$ 4,544,183 | \$ 1,864,171 |

Department Personnel

| | FY2011 Budget | FY2012 Proposed | FY2011–2012 Change |
|----------------------|------------------|--------------------|-----------------------|
| Economic Development | 11.00 | 32.30 | 21.30 |
| Total | 11.00 | 32.30 | 21.30 |

Significant Budget Adjustments

| | FTE | Expenditures | Revenue |
|--|-------|--------------|------------|
| Department Restructuring Transfer of the HUD Programs Administration section's positions from the HUD Programs Administration Fund to the Economic Development Division. | 14.50 | \$ 1,421,783 | \$ - |
| Addition of Support to the HUD Programs Administration Section Addition of 2.00 reimbursable Community Development Specialist 2s for support to the HUD Programs Administration section. | 2.00 | \$ 190,346 | \$ 242,587 |
| Support for the Parking Meter Utilization Program Addition of 1.00 Senior Traffic Engineer in support of the Parking Meter Utilization Program. | 1.00 | 129,331 | - |
| Hourly Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements. | 3.80 | 98,945 | - |
| Equipment/Support for Information Technology Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses. | 0.00 | 44,163 | - |
| Revised Revenue Adjustment to reflect Fiscal Year 2012 revenue projections. | 0.00 | - | 1,864,461 |

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Significant Budget Adjustments (Cont'd)

| | FTE | Expenditures | Revenue |
|---|--------------|---------------------|---------------------|
| One-Time Reductions and Annualizations | 0.00 | - | 42,664 |
| Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2011. | | | |
| Total | 21.30 | \$ 1,884,568 | \$ 2,149,712 |

Expenditures by Category

| | FY2011 Budget | FY2012 Proposed | FY2011-2012 Change |
|-------------------------------|---------------------|---------------------|-----------------------|
| PERSONNEL | | | |
| Salaries and Wages | \$ 805,189 | \$ 1,932,175 | \$ 1,126,986 |
| Fringe Benefits | 540,668 | 1,276,578 | 735,910 |
| PERSONNEL SUBTOTAL | \$ 1,345,857 | \$ 3,208,753 | \$ 1,862,896 |
| NON-PERSONNEL | | | |
| Supplies | \$ 52,055 | \$ 48,055 | \$ (4,000) |
| Contracts | 1,242,377 | 1,240,342 | (2,035) |
| Information Technology | 36,853 | 44,163 | 7,310 |
| Energy and Utilities | 160 | 160 | - |
| Other | 2,710 | 2,710 | - |
| NON-PERSONNEL SUBTOTAL | \$ 1,334,155 | \$ 1,335,430 | \$ 1,275 |
| Total | \$ 2,680,012 | \$ 4,544,183 | \$ 1,864,171 |

Revenues by Category

| | FY2011 Budget | FY2012 Proposed | FY2011-2012 Change |
|----------------------|-------------------|---------------------|-----------------------|
| Charges for Services | \$ 877,375 | \$ 3,027,087 | \$ 2,149,712 |
| Total | \$ 877,375 | \$ 3,027,087 | \$ 2,149,712 |

Personnel Expenditures

| Job Number | Job Class | Job Title / Wages | FY2011 Budget | FY2012 Proposed | Salary Range | Total |
|---------------------------|--------------|------------------------------------|------------------|--------------------|---------------------|-----------|
| Salaries and Wages | | | | | | |
| 20000011 | 1104 | Account Clerk | 0.00 | 1.00 | \$31,491 - \$37,918 | \$ 31,491 |
| 20000866 | 1842 | Accountant 2 | 0.00 | 1.00 | 54,059 - 65,333 | 39,060 |
| 20000102 | 1183 | Accountant 4 | 0.00 | 1.00 | 66,768 - 88,982 | 71,760 |
| 20000012 | 1105 | Administrative Aide 1 | 2.00 | 2.00 | 36,962 - 44,533 | 86,840 |
| 20000024 | 1107 | Administrative Aide 2 | 1.00 | 2.00 | 42,578 - 51,334 | 50,051 |
| 20000119 | 1218 | Associate Management Analyst | 0.00 | 1.00 | 54,059 - 65,333 | 61,740 |
| 20000295 | 1350 | Community Development Coordinator | 1.00 | 2.00 | 76,731 - 92,893 | 182,999 |
| 20000300 | 1352 | Community Development Specialist 2 | 1.00 | 8.00 | 54,059 - 65,333 | 483,486 |
| 20000301 | 1353 | Community Development Specialist 3 | 1.00 | 1.00 | 62,254 - 75,275 | 73,393 |
| 20000303 | 1354 | Community Development Specialist 4 | 3.00 | 4.00 | 66,768 - 80,891 | 321,137 |
| 20001168 | 2214 | Deputy Director | 1.00 | 1.00 | 46,966 - 172,744 | 116,399 |
| 90001073 | 2103 | Management Intern - Hourly | 0.00 | 3.80 | 24,274 - 29,203 | 92,240 |

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Personnel Expenditures (Cont'd)

| Job Number | Job Class | Job Title / Wages | FY2011 Budget | FY2012 Proposed | Salary Range | Total |
|------------------------------------|-----------|---------------------------|---------------|-----------------|------------------|---------------------|
| 20001222 | 2270 | Program Manager | 1.00 | 1.00 | 46,966 - 172,744 | 82,000 |
| 20000015 | 1106 | Senior Management Analyst | 0.00 | 2.00 | 59,363 - 71,760 | 139,932 |
| 20000926 | 1878 | Senior Traffic Engineer | 0.00 | 1.00 | 76,794 - 92,851 | 76,794 |
| 20000756 | 1746 | Word Processing Operator | 0.00 | 0.50 | 31,491 - 37,918 | 18,485 |
| | | Bilingual - Regular | | | | 4,368 |
| Salaries and Wages Subtotal | | | 11.00 | 32.30 | | \$ 1,932,175 |

Fringe Benefits

| | | |
|-------------------------------------|-----------|------------------|
| Employee Offset Savings | \$ | 34,397 |
| Flexible Benefits | | 191,806 |
| Long-Term Disability | | 16,906 |
| Medicare | | 27,458 |
| Other Post-Employment Benefits | | 178,427 |
| Retiree Medical Trust | | 103 |
| Retirement 401 Plan | | 413 |
| Retirement ARC | | 668,359 |
| Retirement DROP | | 2,189 |
| Retirement Offset Contribution | | 37,066 |
| Risk Management Administration | | 28,349 |
| Supplemental Pension Savings Plan | | 65,161 |
| Unemployment Insurance | | 4,129 |
| Workers' Compensation | | 21,815 |
| Fringe Benefits Subtotal | \$ | 1,276,578 |
| Total Personnel Expenditures | \$ | 3,208,753 |